Before the Federal Communications Commission Washington, D.C.20554

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
ETC Amusel Deposits and Contifications)	WC Dealest No. 14.50
ETC Annual Reports and Certifications)	WC Docket No. 14-58
Establishing Just and Reasonable Rates)	WC Docket No. 07-135
For Local Exchange Carriers)	
Ç)	
Developing a Unified Intercarrier)	CC Docket No. 01-92
Compensation Regime)	

COMMENTS OF THE BROADBAND ALLIANCE OF THE MIDWEST IN RESPONSE TO THE NOTICE OF PROPOSED RULEMAKING

Dated: May 25, 2018 The Broadband Alliance of the Midwest

Dan Caldwell 16924 Frances Street, Suite 115 Omaha, Nebraska 68130

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I. Introduction and Summary

The Broadband Alliance of the Midwest ("BAM")¹ hereby submits these comments in response to the Notice of Proposed Rulemaking (the "Notice") issued by the Federal Communications Commission ("Commission") in the above captioned proceedings. The Notice seeks comment on the sufficiency of the existing High Cost budget and on a number of additional proposed changes to the existing High Cost support programs and reforms implemented by the Commission during the period from 2011 to 2017.

The budget shortfalls of \$173M and \$227M in the last two budget cycles of the High Cost programs as reformed are a clear indication of a growing problem and demonstrate a budget that is neither sufficient nor predictable.

Rate of Return carriers receiving support under the HCLS and CAF-BLS programs ("Legacy Carriers or Cost-based Companies"), including the BAM companies, are unfairly shouldering the entire High Cost budget shortfall. Without corrective action, the shortfall will persist into the future and become larger due to the transition of allowable Consumer Broadband Only Loop ("CBOL") costs into the CAF-BLS revenue requirement, additional demand for

¹ The Broadband Alliance of the Midwest ("BAM") is a consortium of 73 cost-based rural telecommunications carriers serving the States of Iowa Minnesota Nebraska North Dako

telecommunications carriers serving the States of Iowa, Minnesota, Nebraska, North Dakota and South Dakota. The BAM consortium formed for the sole purpose of giving a voice to Midwestern carriers utilizing rate of return regulation, and receiving support from the HCLS and CAF-BLS mechanisms.

BAM companies have steadfastly provided quality communications services to their communities for many decades, and in many instances for more than a century. Our collective operations cover more than 130,000 square miles of rural Midwestern geography. BAM companies serve in excess of 500,000 voice and broadband subscribers and maintain over 140,000 miles of modern network infrastructure, with more than 70% of that network fiber-based. Our companies employ more than 2,300 local citizens. BAM companies currently have nearly \$3B dollars invested in rural communications networks.

CAF-ICC by all RLECs (including Cost-based Companies, ACAM companies, and those receiving Alaska Plan Support) and growing levels of broadband investment. To be sufficient, the budget must reflect these realities and provide predictable and sufficient support on the basis of more than "a year at a time" stop-gap measures.

BAM companies are cost efficient, well managed, and have costs that, while rising due to efforts to keep investing in broadband for rural consumers, are below the numerous levels of cost controls deployed by the Commission to contain industry outliers. The track-record of the BAM companies in providing high-quality telecommunication services and making long term capital investments is exemplary. Given a budget that is sufficient and predictable, BAM companies will continue to deliver broadband in rural areas that is comparable to that which is provided in urban areas.

There is no reason to bifurcate the components of the High Cost budget. Separating these budget components will not provide greater budget sufficiency or predictability and in fact will add another layer of complexity into the High Cost program(s).

BAM does not fundamentally oppose another model-based offer at some point in the future; however, we strongly recommend that any further expansion of the model-based support programs be based on time-tested evidence that the program is delivering desired deployment goals and cost efficiency superior to traditional mechanisms. Such expansion should happen only after the Commission has first taken steps to provide sufficient support for those programs already in place and an opportunity to assess the relative benefits delivered (in terms of consumer access to broadband) through model-based support. Budget resources must be sufficient to fund all program components and be sufficient to eliminate the urban-rural divide in comparable broadband prices and service availability.

II. There is ample evidence that the \$2 Billion High Cost budget, frozen since 2011, is insufficient to fund the reformed support programs envisioned and approved by the Commission.

The recent USAC announcement of a \$227M, 15.52%, budget shortfall that will cut support for cost-based carriers during 2018-2019 is the latest evidence that the current High Cost budget is both unpredictable and insufficient.² While BAM companies appreciate the Commission's action to utilize a stopgap measure to plug the \$180M shortfall in the last budget cycle, the industry simply cannot plan for long-term capital additions to network infrastructure based upon the hope of annual infusions of support. To comply with federal law that requires sufficiency and predictability in support, the Commission should take definitive action to establish a multi-year budget that is sized to accomplish the critical task of eliminating the urban-rural divide of broadband availability and rate comparability over a period of years that reflects the longer-term nature of the assets that are being deployed.

The FCC appropriately notes in the Notice that the \$2B budget initially established for RLEC support was an amount "approximately equal to 2011 support levels." However, it is also appropriate to note that several additional program changes have been enacted during the ensuing seven years. BAM concurs with NTCA⁴ that the absence of an inflationary factor is certainly hampering broadband deployment in rural areas and should be included in the overall High Cost budget construct. BAM further submits that the Commission should not go back and

² https://www.usac.org/hc/program-requirements/budget-control-rate-of-return.aspx

³ Report and Order, Third Order on Reconsideration, and Notice of Proposed Rulemaking, March 23, 2018, para. 103.

⁴ Third Order on Reconsideration, para 84-85.

simply apply a year over year inflationary factor to the 2011 support levels, but should fully fund the budget based on today's demand levels and then apply an inflationary factor going forward.⁵

BAM urges the Commission to not only consider seven years of inflationary impact in its budget review, but to also take into account the changes that have occurred in transitioning intercarrier compensation and access cost recovery (i.e. CAF-ICC), supported loop costs (CAF-BLS), and rising network expense levels.⁶ All of these factors must be considered when determining a sufficient budget for the programs the Commission has developed, implemented and reformed since 2011. In the Rate-of-Return Order, the Commission correctly noted that there is very little difference in the loop costs required to provide either voice service or standalone broadband service to an end user customer; however, the allocation of those costs under existing separation rules is dramatically different. A traditional voice line is allocated among three jurisdictions – Local, Intrastate, and Interstate. Part 36 jurisdictional separations procedures and Part 69 rules allocate just 25% of line costs to the Interstate Common Line category. This 25% allocation was included in the traditional ICLS revenue requirement calculation. Under CBOL, the loop is allocated 100% to the Interstate jurisdiction. Thus, while BAM concurs that the total loop cost is very similar, the allocated loop cost supported under the Interstate CAF-BLS mechanism is three to four times greater than the loop cost supported under traditional ICLS. The CBOL cost shift is logical because the loop is used solely for Interstate broadband service. It is illogical, however, that the cost shift is ignored in the determination of a

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⁵ BAM agrees that the application of either traditional GDP-CPI or Chained GDP-CPI would be a dramatic improvement over the currently frozen budget.

⁶ For example, annual maintenance/software fees on all electronic equipment is a standard and significant expense.

sufficient budget since the CBOL jurisdictional cost shift is a substantial driver of the budget shortfall. This cost shift is exacerbating the urban-rural divide in broadband rate comparability and availability that the Commission seeks to eliminate. Further, when the budget is insufficient, the CBOL cost shift and the resulting BCM redistributes support among rate of return carriers in an unpredictable manner. This year-to-year redistribution makes the task of planning and deploying large capital investments very difficult to complete.

The Commission appropriately eliminated the incremental CBOL costs from Special Access, avoiding double recovery of the costs. However, by failing to increase the CAF-BLS budget to adjust for the inclusion of the additional loop costs, the Commission eliminated the means for meaningful cost recovery of CBOL loops. The BCM leaves a significant portion of loop costs unrecovered, thereby requiring rural broadband rates to be higher than urban broadband rates.

The Commission correctly concludes that the budget in its current form is not sufficiently predictable. Rather than adopting NTCA's recommendation to go farther immediately than just addressing the BCM affecting the claims from July 2017 to June 2018, the Commission instead initiated a budget review to determine if the current level of support is sufficient and predictable "enough" for carriers serving rural areas. BAM believes the record is now clear that the budget is neither sufficient nor predictable at current funding levels and urges the Commission to act on NTCA's recommendation.

The \$173M budget shortfall for the 2017-2018 test period was a small demonstration of the shortfall that is only beginning to develop. As recently announced by USAC, the budget

⁸ Report and Order, Third Order on Reconsideration, and Notice of Proposed Rulemaking, March 23, 2018, para. 81

shortfall has now grown by 30% in one year to \$227M for the period 2018 - 2019, the direct result of the CBOL transition and the rapid growth in related revenue requirement. For this reason, one must conclude that the shortfall will continue to increase thereby strengthening conclusions that the level of support is neither sufficient nor predictable.

III. If the Rate-of-Return Carrier Budget is not set at a sufficient level, Rate-of-Return carriers receiving support under the HCLS and CAF-BLS programs will continue to shoulder the entire impact of the growing budget shortfall.

In the Third Order on Reconsideration, the Commission took steps to temporarily mitigate the effects of the budget shortfall as enforced by the Budget Control Mechanism ("BCM"). The Commission took these steps in response to concerns and challenges raised by NTCA that the budget, when executed through the BCM, would not be "sufficient" consistent with section 254(e) and 254(b)(3) of the Act. In addition to those concerns raised by NTCA, the Commission also recognized that due to the budget shortfall, legacy carrier support reductions have endangered legacy carriers" "ability to offer service and reasonably comparable rates resulting in rural consumers paying more per month than urban consumers for standalone broadband." Several other parties supported NTCA's concerns regarding the insufficient budget for Cost-based Companies as enforced through the BCM, which has resulted in rates that are not reasonably comparable to urban areas.

⁹ Section 254(e) and 254(b)(3) respectively requires that support be "sufficient to achieve the purposes of this section" and establishes the policy that consumers in rural areas have access to services "reasonably comparable to those services provided in urban areas . . . at rates that are reasonably comparable to rates charged for similar services in urban areas.

¹⁰ See Third Order on Reconsideration, para 79.

¹¹ Id., para 80. WTA's Petition for Reconsideration of the Rate-of-Return Order asserted that the BCM is contributing to rates that are not reasonably comparable to urban areas.

The Commission has described the BCM as a "self-effectuating mechanism" that ensures the support distributed to rate-of-return carriers does not exceed the \$2 billion annual budget and only affects those carriers receiving CAF-BLS and HCLS. ¹² The reduction caused by the BCM affects not only rate comparability between rural and urban areas, it also has made operational planning difficult for Cost-based Companies.

In granting in part NTCA's petition for reconsideration, the Commission found that such large and variable reductions caused by the budget shortfall and enforced through the BCM made support not sufficiently "predictable" for affected rate-of-return carriers to engage in the long term planning for the high-speed broadband deployment needed in rural America. BAM's experience is consistent with the Commission's finding. When faced with potential large and variable reductions in support caused by the BCM, the reaction of Cost-based Companies has been and will continue to be to scale back needed broadband deployment in rural areas. ¹³ In addition, reductions in support caused by the BCM could leave Cost-based Companies that are fully deployed without the ability to recover their cost of deployment and an inability to repay their sources of capital including loans to RUS and other financial institutions. Ultimately, these arbitrary, yet quite real reductions caused by the BCM are fully-borne by the rural consumer

¹² The current \$2 billion budget for rate-of-return carriers consists of several components. Model-based support for rate-of-return carriers (A-CAM) offered in 2016 is fixed through the end of 2026. Support for most rate-of-return Alaska carriers is fixed also through the end of 2026. Support to reimburse rate-of-return carriers for reductions in switched access charges is being phased in and ultimately phased down for rate-of-return carriers. CAF BLS and HCLS, the two primary components of the Cost-based support mechanism, are the only two CAF support programs that are neither fixed nor being phased down. Because CAF BLS and HCLS are the only support mechanisms that are not fixed and not already predetermined for the support term, they are the only ones the Commission constrain after the fact (after support claims) to remain within budget.

¹³ The Commission acknowledges carriers' claims that unpredictability may make capital planning difficult, potentially resulting in reduced broadband deployment that, in turn, could harm consumers. See Notice of Proposed Rulemaking, paragraph 148.

clearly causing a variance between the comparability of pricing to their urban counterparts. Cost-based Companies are faced with a diminished ability to maintain and support their networks, potentially reducing service quality and in turn harming consumers, lifeline participants, participants in the schools and library program, and rural healthcare providers. Without adequately performing networks, all Universal Service programs may be in jeopardy.

The Commission has recognized the multiple negative impacts associated with the BCM and as a result, fully funded carrier claims from July 2017 through June 2018.¹⁴ BAM urges the Commission to recognize the potential future size of the BCM (now \$227M, up 30% over 2017), the associated impacts of insufficient funding caused by the BCM, and potential fixes going forward.¹⁵

Without Commission action, as consumers of both Cost-based Companies and A-CAM carriers choose broadband only service, the BCM will grow in size as will its negative impacts which are shouldered completely by Cost-based Companies and their consumers. In addition to the current reduction and elimination of intercarrier compensation, ¹⁶ the transition to CBOL will cause historical sources of revenue used to fund rural networks and operations to be eliminated. ¹⁷

¹⁴ Third Report and Order, para. 81.

¹⁵ On April 27, 2018, Chairman Pai released a statement after USAC's announcement that the high-cost USF budget control mechanism adopted in 2016 will cut universal service support for small, rural carriers by 15.52 percent over the course of the next year. Chairman Pai said "The prior Administration's budget control mechanism has created constant uncertainty for small, rural carriers, endangering their ability to make long-term investment decisions to bring high-speed broadband to the millions of Americans who still lack it."

¹⁶ Revenues that were recovered through intercarrier compensation are partially recovered from CAF-ICC. As CAF-ICC increase, given the BCM acts as "self-effectuating mechanism" so, too, does the BCM.

¹⁷ The revenue sources paid directly to Local Exchange Carriers include: Local Exchange Service, vertical services such as caller ID and voice mail, Subscriber Line Charges, Intrastate Exchange Access Service, and Intrastate Long Distance Service. In addition, as Interstate revenue from Telecommunication Services

With the shift of CBOL costs to the federal jurisdiction along with the elimination of historical revenue sources, the Commission can reasonably expect the BCM to increase significantly. Inflationary-based budget increases will cover the impacts of inflation but will not cover the impacts of the transition to CBOL. BAM urges the Commission to consider and estimate the impacts of this transition and to adjust future budgets with this consideration in mind. Without such consideration of the resulting increases in the budgets, the sufficiency and predictability standards of Section 254 will likely fail.

IV. BAM Companies have consistently demonstrated efficient broadband deployment and routinely operate below the multiple levels of cost control established by the Commission.

Encouraged by the response to the first A-CAM offer, the Commission seeks comment on whether to open a new window for all legacy carriers so as to extend broadband service to a pre-determined number of locations in eligible census blocks. BAM urges the Commission to not lose sight of the fact that the BAM companies have already invested and therefore are achieving the broadband deployment objectives the Commission now seeks to accomplish by potentially opening a new window for A-CAM support. BAM companies have deployed or are currently building broadband capable networks including FTTH to the vast majority of their subscribers as demonstrated by their ineligibility for model election in the Commission's initial

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decline, BAM believes it will become increasingly difficult for the Commission to continue to fund the Universal Service Fund from Telecommunication Services alone.

¹⁸ Although the BAM Companies are investing in broadband capable networks, the companies have yet to recover the cost of deploying those networks, including the cost of repaying funding sources such as the RUS.

model election. 19 Generally speaking, the BAM companies do not need to "catch up" in their broadband deployment ²⁰—rather, what they need is reimbursement for the costs already incurred in advancement of the universal service mission. Furthermore, BAM companies already adhere to the multiple Commission investment and expense caps and limitations. NTCA has identified the following caps and limitations: (1) operating expense limits adopted in 2016; (2) corporate operations expense limits expanded in 2011; (3) capital investment limits adopted in 2016; (4) cost benchmarks below which support is not available; (5) competitive overlap measures adopted in 2011 and enhanced in 2016; (6) a per-line cap on support adopted in 2011; (7) an overall budget control mechanism adopted in 2016; (8) a rate floor adopted in 2011; (9) geocoded buildout obligations adopted in 2016; and (10) greater direction with respect to what kinds of expenses are now recoverable via USF. ²¹ As a result, even if BAM companies were eligible and chose to elect model-based support, it is unlikely such a move would result in a significant increase in their capital investment and broadband deployment or better operating efficiencies.

The Commission recognized in the Rate-of-Return Order that carriers that are fullydeployed, in some cases, have taken out sizable loans to finance such expansion and may have significant loan repayment obligations for years to come.²² An election of model-based support

¹⁹ See *Rate-of-Return Order*, para 66. Because the Commission intended that the model-based path spur additional broadband deployment in those areas lacking service, the Commission concluded to not make the offer of model-based support to any carrier that had deployed 10/1 broadband to 90 percent or more of its eligible locations in a state, based on June 2015 FCC Form 477 data that had been submitted as of the date of release of the Rate-of-Return Order. According to the Commission, this would preserve the benefits of the model for those companies that have more significant work to do to extend broadband to unserved consumers in high-cost areas, and would prevent companies from electing model-based support merely to lock in existing support amounts.

²⁰ Id, para 20.

²¹ Report and Order, para 10-61.

²² Rate-of-Return Order, para 20. .

does not change that fact. Instead, BAM companies urge the Commission to eliminate the potential impacts on BAM members caused by any future BCM in order to avoid putting repayment of such loan obligations at risk.²³

V. Separating the HCLS and CAF-BLS budget components from other budget components of the High Cost program will not lead to better budget predictability or budget sufficiency.

The Commission seeks comment on separating the budget for HCLS and CAF-BLS from the remaining components of the High Cost budget. ²⁴ BAM sees no logical reason for separating the budgets for companies utilizing cost-based recovery mechanisms from other high cost participants given that it will not lead to greater budget sufficiency or predictability, and will likely lead to a more complex administration of the High Cost program. As the Commission has recognized, the only mechanisms subject to the budget shortfall are HCLS and CAF-BLS. ²⁵ Whether those program elements are accounted for separately or as part of the overall program for high cost support, the result of the "self-effectuating mechanism" will be the same unless the budget is corrected.

Budget sufficiency and the ability of the high cost program to provide predictable support in rural areas must be measured on a holistic basis. The Notice suggests that the inflationary index could be applied to the funds "available" in the HCLS and CAF-BLS segments of the

²⁵ Third Report and Order, para 73.

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²³ In addition to loan repayment obligations RLECs continue and will continue to have significant recurring maintenance and operating expenses, as well as the cost to maintain, upgrade and eventually replace electronic equipment in the broadband network.

²⁴ See Notice para 109.

current budget.²⁶ Applying this logic would ultimately exacerbate the budget shortfall problem. As the shortfall amount grows with CBOL transitions and expanded broadband investment, a smaller percentage of the overall support requirement will be "available". Applying a relatively minor inflationary index to an amount that is by definition insufficient will not solve the budget problem. The inflationary index must be applied to the gross high cost demand and be allowed to fully support (and then keep pace with) the broadband programs that have been created.

Although the federal USF contribution rate has been steadily rising as USF program costs have increased and the assessable revenue base has declined, it is undeniable that this rise has not resulted from the support of cost-based companies. BAM notes that nearly half of today's USF contribution rate support programs are not related to the High Cost program. Those programs have grown while the High Cost program has been frozen. Further, BAM notes that the federal contribution rate has grown by nearly 20% (15.1% to 18.2%) during the 2011-2018 period that the RLEC High Cost budget has been frozen at \$2B. Universal Service has successfully delivered voice services to millions of Americans in rural areas of our country during the past century. We must learn from those successes and apply the same logic to the successful deployment of broadband.

VI. The Commission should not expand model-based support programs further until adequate time has passed to demonstrate that the new programs are successful in achieving both superior broadband deployment results and superior cost efficiency relative to the cost-based mechanisms.

The Commission must not equate success as measured by voluntary model election with success as measured by relative broadband deployment levels between the model based and

²⁶ Notice of Proposed Rulemaking, para. 109

Cost-based mechanisms. The BAM companies urge the Commission to exercise caution when considering the expansion of an unproven model for broadband expansion. We note that the current model-based programs established no performance milestones for the first four years and are now just a little more than one year into implementation. The first performance milestone of the program will not be reached until 2020. While the model may prove to work for some in certain instances, it seems premature to assume that the model-based program is more effective than cost-based distribution methods.

On the other hand, the BAM companies, utilizing cost-based mechanisms, have already deployed FTTH to 70% of their network, on average. While we have no reason to believe model based companies will not reach this same milestone, that same 70% milestone is not required for carriers selecting model-based support until 2024. BAM respectfully suggests that the Commission use this period of voluntary participation to gather evidence that the new program is indeed as effective as the existing cost-based mechanisms prior to expansion. In determining the relative success of the programs, the Commission should analyze the magnitude of deployment of fiber-based network locations and the ultimate cost of deploying networks that can truly deliver the broadband capacity and speeds that are increasingly required by the consumer marketplace. The analysis should also include the collection of actual network cost data from both regulatory regimes. To ensure that the Commission continues to be a good steward of Universal Service resources, the Commission should not prematurely conclude one structure is better than the other until it has sufficiently analyzed the results.

 $^{^{27}}$ At the end of the 10 year support window, only 272,036 of the total 631,389 locations receiving model-based support are obligated to offer 25/3 Mbps.

We respectfully remind the Commission that support stability is not a reasonable substitute for support sufficiency. If the goal of the Commission is to provide support that eliminates the urban-rural divide and incents rural network infrastructure that complies with federal goals and federal law, the budget must be sufficient. This rationale must also apply to efforts to establish support "floors" vs. sufficient support. The discussion of floors suggests that the budget is definitively inadequate and safety nets must be created to avoid carrier disaster. The discussion should be focused solely on arriving at a budget that accomplishes the desired goal of elimination of the urban-rural divide, not on support levels that will logically result in inferior levels of investment and poor service availability in high cost areas.

These comments are in no way intended to condemn or diminish the model-based programs implemented by the Commission to date. BAM applauds the Commission's effort to provide incentives to uniquely positioned carriers encouraging additional broadband deployment. We simply observe that any determination of success should be based on facts and delivered results and not on a rush to eliminate historical support programs.

VII. Conclusion

The \$227M BCM funding gap announced on May 1st, confirms previously expressed budget insufficiency suspicions and concerns by the Commission and multiple members of the industry. Now is the time to take action before the problem becomes insurmountable and irreparably harms future service levels and pricing in high cost rural areas.

Rate of Return cost-based carriers bear the entire financial risk of the budget shortfall under the current budget construct. Failure to appropriately size the budget unfairly leaves the shortfall burden on the shoulders of companies that have performed admirably under the

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historical programs. Since 2011, the Commission has placed substantial and sufficient controls

on costs that are permissible under the programs. Sufficient limitations are in place, now an

appropriate budget is critical to achieving industry, Commission, and national universal service

goals.

Further expansion of the model-based programs should be delayed until the Commission

has allowed sufficient time with the program to gather evidence of superior performance.

Voluntary participation in the program is not an appropriate indication of success. The

Commission should dutifully test results of both the cost-based and the model-based programs to

determine the best future course of action. That testing should include both location

deployments and adequate cost efficiency data for meeting long-term broadband needs in the

United States.

BAM companies appreciate the opportunity to voice their views on the future high cost

program budget. We look forward to being included in the ongoing conversation and working

with the Commission and other industry participants to find the best path forward.

Dated: May 25, 2018

The Broadband Alliance of the Midwest

Iowa Companies

Alpine Communications, L.C.

Bernard Telephone Company, Inc.

Cascade Communications Company

Citizens Mutual Telephone Cooperative

Clear Lake Independent Telephone

Company

Communications 1 Network, Inc.

CML Telephone Cooperative Association of

Meriden, IA

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Farmers Mutual Telephone Company of Stanton, IA Griswold Cooperative Tel Co Heart of Iowa Communications Cooperative **Huxley Communications Cooperative** IAMO Telephone Company Kalona Cooperative Telephone Company Keystone-Farmers Cooperative Tel Co La Porte City Telephone Company Lehigh Valley Cooperative Telephone Association Lost Nation – Elwood Telephone Company Marne Elk Horn Telephone Company OmniTel Communications, Inc. Palmer Mutual Telephone Company Panora Communications Cooperative Premier Communications, Inc. The Preston Telephone Company River Valley Telecommunications Cooperative South Slope Cooperative Company United Farmers Telephone Company of Everly, Iowa Webster Calhoun Cooperative Telephone Association Winnebago Cooperative Telecom Association

Minnesota Companies

The Albany Mutual Telephone Association Consolidated Telephone Company Emily Cooperative Telephone Company Farmers Mutual Telephone Company Garden Valley Telephone Company Paul Bunyan Communications West Central Telephone Association Woodstock Communications

Nebraska Companies

Arapahoe Telephone Company Benkelman Telephone Company, Inc.

Cozad Telephone Company

Diller Telephone Company

Glenwood Telecommunications, Inc.

The Hamilton Telephone Company

Hartington Telecommunications Company, Inc.

.C.

The Hemingford Cooperative Telephone Company

Hershey Cooperative Telephone Company

Henderson Cooperative Telephone

Company

Northeast Nebraska Telephone Company

Pinpoint Communications, Inc.

Plainview Telephone Company, Inc.

Southeast Nebraska Communications, Inc.

Stanton Telecom, Inc.

Three River Telco

North Dakota Companies

BEK Communications Cooperative

Consolidated Telcom

Dakota Central Telecommunications

Cooperative

Dickey Rural Telephone Cooperative

Northwest Communications Cooperative

Polar Communications Mutual Aid

Corporation

Red River Communications

Reservation Telephone Cooperative

SRT Communications, Inc.

West River Telecommunications

Cooperative

South Dakota Companies

Alliance Communications Cooperative, Inc.

Golden West Telecommunications

Cooperative, Inc.

Interstate Telecommunications Cooperative,

Inc.

Kennebec Telephone Company, Inc.

Midstate Communications, Inc.

RC Technologies

Santel Communications Cooperative, Inc.
TrioTel Communications, Inc.
Valley Telecommunications Cooperative
Association, Inc.
Venture Communications Cooperative
West River Cooperative Telephone
Company

By: /s/ Dan Caldwell
Dan Caldwell
16924 Frances Street, Suite 115
Omaha, NE 68130
402-441-1671
dcaldwell@consortiaconsulting.com